

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 15832
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On January 5, 2001, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing additional individual income tax, penalty, and interest in the amount of \$319 for the tax year ending December 31, 1999.

The taxpayer filed a timely appeal and petition for redetermination. He did not request a conference. The Tax Commission has reviewed the file, is advised of its contents, and hereby issues its decision based thereon.

Idaho Code § 63-3002 provides:

63-3002. Declaration of intent. It is the intent of the legislature by the adoption of this act, insofar as possible to make the provisions of the Idaho act identical to the provisions of the Federal Internal Revenue Code relating to the measurement of taxable income, to the end that the taxable income reported each taxable year by a taxpayer to the internal revenue service shall be the identical sum reported to this state, subject only to modifications contained in the Idaho law; . . .

The intent of the Idaho Legislature is to follow the federal determination subject only to modifications contained in Idaho law. [Redacted]. Because the records showed an increase in the amount of income that was reported to Idaho, a Notice of Deficiency was issued.

In response to the deficiency notice, the taxpayer wrote a letter explaining that his 1999 federal tax return had been examined by the IRS resulting in the denial of his right to claim four dependants for the year. He said he realized the IRS would keep his refund for the year because he

owed back child support. However, he did not think it was right for child support to seize his state refund for back child support when the IRS was still examining his return. Because child support seized the \$669 refund and applied it to child support, welfare should have to pay the \$319 out of the refund they seized.

The Bureau wrote to the taxpayer to acknowledge his protest and to explain that the refund issued to him, seized, and applied to his back child support by the Department of Health and Welfare was issued in his name and was considered paid to him. The money seized for child support reduced the amount the taxpayer owed to Health and Welfare. The additional income taxes owed to the Tax Commission as a result of changes to his original federal return remain unpaid. Payment of the additional income tax due is his debt regardless of how the original refund was applied.

When the taxpayer did not acknowledge the Bureau's letter and no new information was received, the Bureau transferred the taxpayer's file to the Legal/Tax Policy Division for administrative review. The taxpayer did not respond to a letter from the Legal/Tax Policy Division that outlined his appeal rights.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no further information in support of his argument, the taxpayer has failed to meet his burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

Pursuant to Idaho Code, the Tax Commission has chosen to follow the federal determination of income subject only to modifications in Idaho law.

WHEREFORE, the Notice of Deficiency Determination dated January 5, 2001, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following additional tax, penalty, and interest for tax year 1999:

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$284	\$14	\$42	\$340

Interest has been computed through March 1, 2002.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2002.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that I have on this ____ day of _____, 2002, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:
[Redacted]

ADMINISTRATIVE ASSISTANT 1